

EXETER CITY COUNCIL

**SCRUTINY COMMITTEE - COMMUNITY
8 MARCH 2011**

**EXECUTIVE
22 MARCH 2011**

COMMUNITY SERVICES STEWARDSHIP TO 31 DECEMBER 2010

1. PURPOSE OF REPORT

1.1 This report advises Members of any material differences by management unit to the revised budget.

2. STEWARDSHIP TO 31 DECEMBER 2010

2.1 The current forecast suggests that net expenditure for this committee will decrease from the revised budget by a total of £769,160 which represents a variation of 6.2% from the revised budget.

2.2 The budgets for 2010/11 included a provision of 0.7% for the pay award. The current position is that Local Government Employers have not offered a pay award, and the expected resulting saving is reflected in the estimated outturn forecasts below.

2.3 The main variations by management unit are detailed below:

2010-11 REVISED ESTIMATE	£ 12,301,760
81A1 ENVIRONMENTAL PROTECTION	(19,830)

A vacancy has arisen which will not be filled during the current year leading to further savings. Expenditure on abandoned cars is expected to be less than estimated. Additional income has been received from Unison in respect of an officer's union duties.

These savings are partially offset by vehicle maintenance costs in excess of the estimates and a shortfall in pest control income.

81A2 CLEANSING SERVICES	16,050
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(see separate operational accounts)

Following Devon County Council's closure of the waste transfer station in April 2010, the Council has been tipping domestic waste at alternative facilities provided by DCC. It has not been possible to reach agreement with DCC that they will reimburse our additional costs for doing so. It is expected that independent arbitration will be necessary, but this is likely to mean that settlement will not be reached before the end of the current financial year. In order to be prudent, a provision will be made in the current year; this is reflected in the trading accounts.

Fleet costs throughout the refuse collection operational service have exceeded the estimates, partly as a result of the increase in fuel costs. However, this has been offset by savings in supplies and services and additional income, particularly from the garden waste service.

The trade refuse service is expected to achieve profits in excess of the estimates.

Action Point

Settlement of the dispute with DCC will be sought through mediation, but no provision for additional costs was included in the estimates for 2011/12 as it was expected that Exeter City Council's additional costs would be met in full.

The estimates for 2011/12 reflect the higher level of income from garden waste collections.

81A3 LICENSING, FOOD, HEALTH & SAFETY (39,830)

A reduction in staffing costs will arise as a result of the retirement of an officer. Savings have arisen as a result of refunds in respect of a software licence relating to earlier years.

The vehicle licensing team has incurred the cost of a survey of unmet demand for which there was no budget; this will be covered by a transfer from the earmarked reserve.

The income from premises licences is expected to be less than that included in the estimates.

81A4 PUBLIC SAFETY (47,810)

A saving has arisen in respect of staffing costs due to vacancies in both the Community Patroller and Control Room services.

81A5 COUNTRYSIDE (1,300)

The Countryside service received compensation from South West Water.

81A6 GROUNDS MAINTENANCE (26,670) (see separate operational accounts)

Income from events and sports is expected to be less than the estimates.

A post was covered by an agency officer for much of the year, leading to an overspend. This will be partially offset by the saving which is expected to arise in staff pay if there is no pay award (see para 2.2 above) and the resignation of an officer who will not be replaced.

A saving will arise on National Non-Domestic Rates (NNDR).

81A7 MUSEUMS SERVICE (140,420)

Staff vacancies will result in savings.

Income from this service is expected to exceed the estimates.

The delays in the Royal Albert Memorial Museum construction project mean that no National Non Domestic Rates will be payable in the current year, resulting in a saving.

The estimates allowed for a revenue contribution to capital outlay; this will not be required but a provision required for legal and other fees will partially offset this saving.

These savings are partially offset by the cost of extending the insurance cover during the Royal Albert Memorial Museum project beyond the original completion date.

81A8 CONTRACTED SPORTS FACILITIES (428,910)

A new contract for management of the sports facilities came into force on 1st October 2010 and is expected to result in material savings in the current year and future years. The outturn forecast reflects the estimated impact for the current year on this Committee. There will however be a negative impact on Resources Committee as a result of additional discounts arising on NNDR.

81A9 OTHER SPORTS FACILITIES (0)

No material variances

81B1 LEISURE SERVICES MANAGEMENT 24,140

Consultants' fees have been incurred as a result of the new leisure contract, but these will be funded by a transfer from an earmarked reserve.

A saving arises as a result of the retirement of an officer who will not be replaced

81B2 CEMETERIES & CREMATORIUM 3,050

Income is expected to be less than the estimate.

81B3 PROPERTIES (4,000)

Income is expected to exceed the estimate.

81B5 SPORTS & PLAY DEVELOPMENT 1,630

A VAT adjustment relating to income in an earlier year has resulted in a reduction in income.

81B6 RECYCLING (288,880)
(see separate operational accounts)

Income from the sale of recyclates is expected to exceed the estimates, and the cost of freight and gate fees are both expected to show savings. While the prices at which materials are currently being sold exceed those assumed for the estimates, the volatility of these prices makes it difficult to predict the outturn.

Action Point

The estimates for 2011/12 reflect a higher level of income from the sale of materials, and the savings in freight costs and gate fees.

81B9 ADMINISTRATION SERVICE (32,560)

Savings will arise in respect of staff costs due to vacancies.
Some income has arisen in respect of an external funded project.

Redundancy costs have arisen as a result of the restructure of this service. These will however be capitalised and will therefore not result in a revenue overspend.

81C1 HOME IMPROVEMENT GRANTS 7,000

As reported in September, a reduction is forecast in respect of Improvement Grant administration income. Due to a reduction in the number of applicants requiring technical assistance, an increase in the number of grants relating to housing association properties which do not attract an administration fee and fewer referrals from occupational therapy.

81C2 ADVISORY SERVICES 205,450

An overspend is forecast in respect of serviced temporary accommodation due to a higher than inflationary increase in rental payments, backdated rental payments and the cost of procuring additional rooms to meet increasing demand.

The number of landlords registered on the Council's ExtraLet Scheme has reduced, which has resulted in a reduction in income.

Increased demand for temporary accommodation has resulted in a higher than budgeted level of expenditure in respect of tenants' removal and storage expenses.

As previously reported, additional costs have been incurred in respect of resolving damp and condensation issues at Shaul's Court along with the additional cost of upgrading the fire door windows for CCTV purposes. An overspend in the cost of cleaning Shaul's Court and Glencoe will also occur due to the need for a thorough clinical clean on vacation of units.

Additional costs have been incurred in respect of the Occupational Health Therapist assessing Health and Wellbeing forms for people seeking to move via the Choice Based Lettings system on medical grounds.

The Council operates a scheme to assist landlords bring their properties up to a lettable standard, so that they can be used for temporary accommodation, and the cost of these works are recovered from the owner via reduced rent payments. It is estimated that a transfer of approximately £30k will need to be made between the revenue costs of Advisory Services and capital debtors, in order to recognise the repayment of the capitalised repair costs.

Action Points

- To incorporate the monitoring of the ExtraLet Scheme into the remit of the Temporary Accommodation Working Group, so that number of properties on the scheme can

be monitored and the impact on budgets identified earlier

- Maintain a marketing campaign to help attract landlords on to the ExtraLet Scheme
- To implement a system of recharging tenants for removal and storage expenses, by agreeing a means tested affordable repayment plan

81C3 STRATEGIC HOUSING & ENABLING 74,090

As reported in September, there is a reduction in the amount of revenue expenditure which can be capitalised in relation to the Council Own Build sites at Sivell Place and Merlin Crescent, in accordance with capital accounting regulations.

The flexible retirement of the Strategic Housing Manager has resulted in a saving in this management unit.

There have been costs which exceed the budgets but which will be met from the Empty Homes and Housing Market Assessment reserves.

81C4 PRIVATE SECTOR HOUSING 0

Additional pay costs have arisen, but these are expected to be offset by additional income.

81C6 CONTRACTS AND DIRECT SERVICES 0

The costs of this unit are fully recharged to its clients, and there is therefore no direct impact on this committee.

81C7 DIRECTOR – COMMUNITY & ENVIRONMENT (3,380)

Various small savings are expected in this unit.

2010-11 EXPECTED FINAL OUTTURN 11,652,920

EXPECTED TRANSFERS TO / (FROM) RESERVES (120,320)

EXPECTED TOTAL NET EXPENDITURE 11,532,600

3. RECOMMENDED

That Scrutiny Committee – Community note this report.

DIRECTOR OF COMMUNITY
AND ENVIRONMENT

HEAD OF TREASURY SERVICES

S:PA/LP/Committee/311SCC5
4 February 2011

**COMMUNITY AND ENVIRONMENT DIRECTORATE
CORPORATE SERVICES DIRECTORATE**

Local Government (Access to Information) Act 1985 (as amended)
Background papers used in compiling this report

None